



# Tell Me About Your Lemonade Stand

*By Scott Tibbitts*

**FIRM FIXED PRICE (FFP) CONTRACTING IS A SPORTY PROPOSITION. AN FFP PROGRAM THAT IS SIGNIFICANTLY OVERRUNNING WILL BRING A COMPANY TO ITS KNEES. CONVERSELY, WHEN SUCCESSFUL, PROFITS CAN BE SUBSTANTIAL.**

AT STARSYS, WE EXECUTE MANY FFP PROGRAMS FOR the development of mechanical systems for spacecraft. Contracting this way presupposes that we have the ability to establish and hold scope for a system that has yet to be defined. To do FFP, it is critical that we have program managers who are masters at cost control.

Fortunately, we have some “masters” in our company. They just seem to have a knack for driving to a financial target. Doesn’t matter if the program has contingency or not. Doesn’t seem to matter if they use MS Project, Excel spreadsheets, or the back of an envelope. Doesn’t even seem to matter whether the program is set up as a financial challenge or a winner.

Yes, they have systems and the mechanisms for converging on a cost target, but so do the good—but not master—program managers.

As I looked back over the last five years, it was clear that some of our program managers consistently generated great results and others did not. This got me to thinking, if I could only figure out their formula, could it be turned into a recipe for success? I started talking to some of the managers about this, and one of their comments struck a chord, “You just do it—it’s natural, it’s where the fun is.” That got me thinking: Maybe this isn’t as much of a skills issue as I had previously thought.

It's accepted practice that good engineers are created not born. That's what engineering degrees are all about. But this is not always the case for other disciplines. Take marketing: These folks seem natural

a contract element. Try to get a great designer excited about a favorable negotiation of a contract element!

Now, whenever I interview a project manager there are a couple of things I know to ask to gain insight into

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at it. They love meeting people, they love developing relationships, they love explaining things, and they love enrolling people in their ideas. Could it be that master program managers are born not made?

Maybe Myers-Briggs would have the key. I had a group of fifteen folks take the Myers-Briggs personality test. The group included good program managers, the ones I regarded as masters, and others who had demonstrated that their strengths lie elsewhere. And the result was...no correlation! Yes, I could see some patterns that explained the individual's styles, but clearly Myers-Briggs was not an indicator of who was a master program manager.

I spent a lot of time talking to these masters. What I found were shared values. The things that they found fun, interesting, and worthy had some common threads. For instance, they all loved business and the game of leveraging what you know to make money. And that interest went way back. These were the folks with the lemonade stands, the newspaper routes. I was surprised by this. Values are the beliefs that develop as a person is growing up, from the primary influencers in your life through grade school and high school.

Their similarities carried on into college. The masters were those who had wanted their MBAs. It wasn't so much what they had learned from their MBA as it was their passion about getting one. To a person, they had all thought about starting their own business, but for whatever reason had chosen to take a less risky path.

The most interesting thing was what really made for a "great day" for these people. It wasn't limited to finding a great design, or converging on a technical solution. Business wins were the things that made them smile, high-five, and carry on about how much they loved what they did—finding the technical solution that would save \$50,000 or that resulted in the favorable negotiation of

their values. For instance, I'll ask, "So, did you ever run a lemonade stand?"

Some folks look dumbfounded. You may as well be asking them to talk about their root canal. But masters "light up" at this point and respond with something like, "Oh yeah, ever since I was a kid I loved making money." Masters tend to think in terms of leveraging what they know to create an enterprise that makes money. I don't just ask them about their lemonade stands, but it's not such a bad place to start. This is values-based interviewing, and it is actually an easy way to get at what makes people tick.

Yes, we need to give our project managers the right resources—the tools, the qualified technical expertise, and the training—but it's a mistake to assume that we can "grow" any given engineer into an effective project manager. We put our projects at risk if we do so. The lesson here is that we must seek out PMs with a passion for the business of projects. This is something to consider, too, as we recruit and groom tomorrow's project leaders.

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